Growth Rate in Mining Sector

740. SHRI PREM CHAND GUPTA: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether it is a fact that the mining sector recorded a negative growth rate of 3.4 per cent during 1998;

(b) if so, the reasons therefor; and

(c) the steps taken by Government to check this slide?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI RAMESH BAIS): (a) The mining sector recorded a negative growth of 1.0 percent during the period from April'98 to December'98 over the corresponding period of 1997.

(b) The negative growth rate was mainly observed in the production of Petroleum (crude) which has 39.8 percent weight in the mineral sector. The reasons for shortfall in crude oil production are: reduction in reserves of Heera Phase-II due to geological surprises; closure of high Gas Oil Ratio (GOR) wells; less production form Enhanced Oil Recovery Schemes in Gujarat due to delay in commissioning of plant for want of power and land; frequent power shutdown in the Eastern and Western Region.

In case of metallic minerals, negative growth rate of 2.7 percent was also observed due to fall in production of minerals such as bauxite, chromite, copper, gold, iron ore and manganese ore. The reasons for fall in production of different metallic minerals are operational constraints like break down in producing units for bauxite and gold, low demand for chromite, closure of copper mine at Mosabani and Mysore Champion Amalgamated gold mine, recession in iron and steel sector in case of iron ore, power problems in producing units for manganese ore etc.

(c) The steps taken to increase crude oil production are: better reservior management of the Bombay High oil fields through closure of high GOR and high water out wells; implementation of specialised technologies such as extended reach drilling, horizontal and drain hole drilling, redistribution of water injection etc.; hiring of services of internationally reputed consultants; improving the recovery percentage from the producing fields; 3-D seismic surveys for better understanding of the oil field announcement of New Exploration Licencing Policy to encourage participation of private/joint venture companies in exploration activities.

Further, as regards the non-fuel mineral sector is concerned, the Government has taken a number of steps which include: opening up the mineral sector fully for private initiatives, both domestic and foreign; encouragement for induction of state-of-the-art technology; devolving more powers to the State Governments for renewal of Prospecting Licences and for first renewal of Mining Leases for expediting grant of mineral concessions; issue of guidelines for grant of prospecting licenses over large areas for aerial survey liberalisation of the policy for foreign investment with automatic approval of investment proposals with foreign equity upto 50% (Except for gold, silver, diamond and precious stones) and also case by case approval through Foreign Investment Promotion Board for foreign equity above 50% and for gold, silver, diamond and precious stones projects irrespective of foreign equity; rationalisation of the royalty rates of minerals making it comparable with international rates.

Losses in Steel Plants under SAIL

741. SHRI ABANI ROY: Will the Minister of STEEL AND MINES be pleased to state:

(a) whether the various Steel Plants under the SAIL are suffering losses worth crores of rupees;